

Congressman Pence's statement:

**“The Farm Flex Act will provide Hoosier farmers freedom and flexibility to plant fruits and vegetables that they do not have under current, permanent law.**

**“Passage of this bill is vital to helping Indiana farmers stay competitive in the global marketplace as well as saving the taxpayers money.”**

Congresswoman Baldwin's statement:

**“This legislation is a matter of economic necessity, common sense, and basic fairness.**

**“Farm Flex is a long overdue correction that benefits both family farmers and food processors in the Midwest. We can support and encourage family farming by expanding a farmer's planting choices. We can maintain a robust economy by facilitating a cooperative relationship between producers and processors. We can do both by lifting the existing unnecessary limits and penalties.”**

Background:

The Farm Flex bill would result in significant cost savings for the federal government; is supported by a coalition of food processors and family farmers; is consistent with free market principles; and improves World Trade Organization (WTO) compliance.

Other original cosponsors include Members of the House Agricultural Committee—including Congressman Brad Ellsworth, Congressman Robert Latta, Congressman Dan Burton and Minority Leader John Boehner.

## **2002 Farm Bill**

Under the 2002 Farm Bill, farmers who planted one of the big five commodity crops - corn, soybeans, wheat, cotton, and rice - automatically received “direct payments” for planting those crops. These payments were directly proportional to a farm's base acres, which are a historical average of its planting of a commodity.

A farmer was not obligated to grow the crop to receive a direct payment for that crop, and could plant any crop (planting flexibility) except fruits and vegetables (planting restriction) or no crop without losing these benefits.

Also, the 2002 Farm Bill doubly penalized farmers who chose to plant fruits and vegetables on their base acreage. These farmers did not receive direct payments for those base acres on which they planted fruits and vegetables, and had to pay an additional financial penalty based on the market value of the fruits and vegetables they did plant.

### **Consequences of 2002 Farm Bill**

Most producers could not reduce their reliance on the farm commodity programs by rotating vegetable production onto their land and pursuing canning contracts. Processors experienced inadequate supplies of fruits and vegetables for canning.

### **2008 Farm Bill**

The 2008 Farm Bill slightly altered the restrictions put in place in 2002, but did not ease the duplicative financial penalties. It enacted a pilot planting flexibility program for fruits and vegetables for processing, but continued the overall restriction on planting fruits and vegetables on base acreage. Beginning in the 2009 crop year, seven Midwestern states have acreage caps to plant, on base acres, a limited list of fruits and vegetables for processing. However, the acreage caps do not cover all the states and farmers who wish to plant fruits and vegetables for processing, nor all processing crops, curtailing any sense of flexibility the pilot program was meant to provide.

### **2009 Farming Flexibility Act**

The Farming Flexibility Act would correct the shortcomings of the 2002 and 2008 Farm Bills by providing states planting flexibility for all fruits and vegetables for processing and repealing acreage limits. It clarifies that any future recalculation of base acreage will take into account the production of fruits and vegetables for processing. New fruit and vegetable growers will be accommodated, provided they are willing to give up program payments on acres they dedicate to producing fruits and vegetables for processing. It is important to note that, because vegetables grown for processing are wholly different from those grown for fresh market, it would not adversely affect fresh fruit and vegetable producers.